



NEWS RELEASE

US DEPARTMENT OF THE INTERIOR ■ BUREAU OF LAND MANAGEMENT
NEW MEXICO STATE OFFICE ■ 1474 RODEO RD ■ SANTA FE, NM 87505
Hans Stuart ■ External Affairs Chief ■ 505.438.7510

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For Additional Information
Hans Stuart (505-438-7510)
Tom Gorey (202-452-5137)

BLM Issues Oil and Gas Regulatory Changes Affecting Lease Acreage Limits and Lease Reinstatements

In response to congressional direction in the Energy Policy Act of 2005, the Bureau of Land Management today published changes to oil and gas regulations relating to lease acreage limits and lease reinstatements. The BLM's new set of regulations, collectively known as a final rule, expands the types of lease holdings that are exempt from acreage limits. The final rule also extends the time for companies to file a lease reinstatement from 15 months to 24 months.

The BLM's rulemaking, which appears in today's *Federal Register*, is a final action because the relevant provisions of the Energy Policy Act are very clear in their intention and leave no room for interpretation. As a result, there was no public comment period on this regulatory action, which brings the BLM's oil and gas regulations into line with the Energy Policy Act enacted by Congress last August.

The Mineral Leasing Act of 1920 limits the amount of acreage a Federal oil and gas lessee may hold in any one state to 246,080 acres; that law also exempts certain types of acreage holding from the leasing acreage limit. Section 352 of the Energy Policy Act expands the list of exempted acreage to include producing leases and leases committed to communitization agreements, in which oil and gas operators jointly administer multiple leases for operational and production purposes as if they were one. This section of the new energy law also exempts from acreage limits those leases for which royalty was paid in the preceding calendar year.

In the case of lease reinstatements, the Mineral Leasing Act provides for reinstatement, under certain circumstances, of Federal oil and gas leases that were terminated for a lessee's late or nonpayment of rent. Section 371 of the Energy Policy Act amends the 1920 law by extending from 15 months to 24 months the maximum amount of time in which oil and gas lessees may petition to have their terminated leases reinstated. The Energy Policy Act's reinstatement provision applies to leases terminated after August 8, 2005, the date on which the energy legislation became law.

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The BLM manages more land – 261 million surface acres – than any other Federal agency. Most of this land is located in 12 Western states, including Alaska. With a budget of about \$1.8 billion, the Bureau also administers 700 million acres of sub-surface mineral estate throughout the nation. As the steward of these lands and their diverse energy resources, the BLM plays a central role in implementing the Energy Policy Act of 2005. In fulfilling this responsibility, the Bureau carries out a multiple-use mission, one that sustains the health and productivity of the public lands for the use and enjoyment of present and future generations.

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